



North Dakota Office of State Tax Commissioner

Renaissance fund organization investment reporting form

North Dakota renaissance fund organization investment credit
(North Dakota Century Code § 40-63-07)

▶ See the instructions on the other side of this form

Part 1 - Taxpayer identification

Type of taxpayer : Individual (Form ND-1 or ND-2) Corporation (Form 40) S corporation (Form 60)
(check one) Partnership (Form 58) Financial institution (Form 35) Estate or trust (Form 38)

Name of Taxpayer		Social Security number or FEIN	
Address of Taxpayer	City	State	Zip code

Part 2 - Investment transaction

Complete this part if cash is received from the taxpayer as an investment in the renaissance fund organization.

Date received	Actual time received (<i>see instructions</i>) <input type="checkbox"/> AM <input type="checkbox"/> PM	Amount received \$
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Part 3 - Disqualifying redemption transaction

Complete this part only if a taxpayer makes a disqualifying redemption - see **Disqualifying redemption** in the instructions for what constitutes a disqualifying redemption.

Original investment information



Date of original investment	Amount of original investment received \$
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Redemption information



Date of redemption	Amount paid to original investor \$
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Part 4 - Renaissance fund organization information

City in which renaissance zone is located
(to which the investment is directed)



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Name of renaissance fund organization		Federal employer identification number	
Address of renaissance fund organization	City	State	Zip code
Printed name of authorized representative	Title	Signature	Date

RFO investment reporting form instructions

Purpose of form

This form facilitates the administration of the tax credit allowed under N.D.C.C. § 40-63-07(5) for investing in a renaissance fund organization (“RFO”). The proper completion and filing of this form is required for allowance of the tax credit to a taxpayer.

Tax credit information

The tax credit is allowed to an individual (on Form ND-1 or ND-2), an estate or trust (on Form 38, Schedule 1 or 2), a corporation (on Form 40), and a financial institution (on Form 35).

Passthrough entity. If a passthrough entity, such as a partnership or S corporation, invests in an RFO, the tax credit is determined at the passthrough entity level and passed through to the entity’s owners in proportion to their ownership interests. However, if the passthrough entity is subject to the North Dakota financial institution tax (on Form 35), the tax credit is not passed through to the entity’s owners, but must be claimed on Form 35.

Amount of credit. The tax credit is equal to fifty percent (50%) of the amount invested during the tax year. If the tax credit exceeds the taxpayer’s tax liability for the tax year in which the investment is made, the excess tax credit may be carried forward and used in the following five tax years.

Disqualifying redemption. The tax credit is disallowed and must be repaid to the State by a taxpayer if the taxpayer redeems the investment within ten years of making the investment. For this purpose, “redeems” means that the taxpayer initiates a transaction with the RFO in which the taxpayer receives cash or property in return for the stock or other investment interest. Only the taxpayer who made the original investment is subject to this redemption rule. A disqualifying redemption *does not* occur if a taxpayer transfers part or all of an investment to a third party, nor does it occur if the RFO initiates the redemption.

Maximum credits. The maximum amount of tax credits allowed statewide for investments made in all tax years is \$2.5 million.* This amount is allocated to three categories of cities based on their population, as determined by the North Dakota Commerce Department’s Division of Community Services.

Credits in excess of the city or statewide maximum amount are not allowed. The determination of which taxpayers are allowed the credit when the city or statewide maximum amount is reached will be based on the filing of this investment reporting form by the RFO. If either maximum amount is reached, the tax credits will be allowed to taxpayers on a first-come basis according to the date this investment reporting form is actually received by the Office of State Tax Commissioner. If tax credits attributable to investments on investment reporting forms received on the same day exceed the maximum amount allowed, the time of day the RFO received the investment (as shown in Part 2 of this form) will be used to determine which taxpayers will be allowed the tax credits.

For information on the amount of credits still available under the city or statewide ceilings, contact the Office of State Tax Commissioner.

Instructions to the RFO

An RFO must complete and file this form with the North Dakota Office of State Tax Commissioner within thirty (30) days of the date on which:

- An investment is received. If this applies, complete **Parts 1, 2, and 4**;
OR
- A disqualifying redemption occurs—see “**Disqualifying redemption**” under **Tax credit information**. If this applies, complete **Parts 1, 3, and 4**.

Copies of completed form. A copy of the completed form must be given to the investor. The RFO must retain a copy for its files.

Part 1

Check the box that describes the type of taxpayer making the investment. Enter the taxpayer’s name, address, and social security number (or FEIN).

Part 2

Enter the date and time when the RFO actually received the investment from the taxpayer. This information will be used in the event that the city or statewide maximum credit amount is reached—see “**Maximum credits**” under **Tax credit information**.

Part 3

Complete this part if a disqualifying redemption occurs—see “**Disqualifying redemption**” under **Tax credit information**.

Part 4

An individual authorized to sign documents on behalf of the RFO must sign the form. To designate a third party to sign, obtain and complete North Dakota Form 500 and file it with the Office of State Tax Commissioner (Attn: Individual Income Tax Section).

Instructions to the taxpayer

This form may be prepared only by the renaissance fund organization. A copy of the completed form must be provided to you. Keep it for your records.

Assistance

If you have questions, call (701)328-1247. If speech or hearing impaired, call Relay ND at 800-366-6888 (*ask for 701-328-1247*).

Or write to: Office of State Tax Commissioner, 600 E. Boulevard Ave. Dept. 127, Bismarck, ND 58505-0599.

* Note: If this original \$2.5 million credit ceiling is reached, an additional \$2.5 million will be made available.